

RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

Notice to Seller and Purchaser

The North Carolina Residential Property Disclosure Act requires the owner of residential real property consisting of 1-4 units, whenever the property is to be sold, exchanged, optioned, or purchased pursuant to a lease with option to purchase, to furnish to the purchaser a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT disclosing certain conditions of the property. Certain transfers of residential property are excluded from this requirement by G.S. 47E-2, including transfers of residential property made pursuant to a lease with an option to purchase where the lessee occupies or intends to occupy the dwelling.

Property Address/Description: _____

The undersigned owner(s) of the real property described above disclose the following present conditions of the real property of which the owner(s) has actual knowledge with regard to:

1. Any abnormality or malfunctioning of the **water supply or sanitary sewage disposal** system:
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____
2. Any damage to or abnormality of the **roof, chimneys, floors, foundation, basement, or load-bearing walls, or any leak in the roof or basement**:
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____
3. Any abnormality or malfunctioning of the **plumbing, electrical, heating, or cooling** systems:
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____
4. Present infestation of **wood-destroying insects or organisms** or past infestation the damage for which has not been repaired:
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____
5. The real property's violation of **zoning laws, restrictive covenants or building codes**; any **encroachment** of the real property from or to adjacent real property; or **notice from any governmental agency** affecting this real property:
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____
6. Presence of **lead-based paint, asbestos, radon gas, methane gas, underground storage tank, hazardous material or toxic material** (whether buried or covered):
☐ Yes ☐ None Known ☐ No Representations
If Yes, please describe _____

The purchaser and owner may wish to obtain professional advice about, or inspections of, the real property. The owner has a duty to disclose any material inaccuracy in this statement or any material change in the real property which is discovered between the date of this statement and the closing of the transaction. The owner(s) acknowledge having examined this statement before signing below:

Owner _____ Date _____ Owner _____ Date _____

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have examined it before signing below:

Purchaser _____ Date _____ Purchaser _____ Date _____

NORTH CAROLINA RESIDENTIAL PROPERTY DISCLOSURE ACT GUIDELINES

*For the complete text of the Residential Property Disclosure Act, see
North Carolina General Statutes Chapter 47E*

The Residential Property Disclosure Act ("Act") requires owners of residential real estate to furnish purchasers a **Residential Property Disclosure Statement** ("Statement"), **whether or not the owner is assisted by a licensed real estate broker or salesman**. The form on the reverse side of this sheet meets the requirements of the Act.

The Act covers the transfer of residential property--from a single family dwelling unit to buildings containing up to four dwelling units. It applies whether the property is to be sold, exchanged, **optioned** or purchased under a lease with option to purchase (unless the tenant is already occupying or intends to occupy the dwelling). Certain transactions are exempted from the Act, including the first sale of a dwelling which has never been inhabited. [For a complete list of exemptions, see N.C.G.S. 47E-2.]

Completing the Statement

As the owner of the property, you must enter on the Statement the address of the property (sufficient to identify it) and sign and date it. You must also check **0** one of the boxes for each of the six items listed.

If you check "Yes" for any item, you must describe the problem ("septic tank malfunctions", "electrical outlet in living room doesn't work", etc.). If you are using the services of a real estate broker or salesman, you are still responsible for completing and delivering the Statement to the purchaser. Instead of inserting your written description of the condition, you may attach to the Statement any report which you might have from an engineer, contractor, pest control operator or other expert or public agency describing it. If you attach a report from an expert or public agency, you will not be liable for any inaccurate or incomplete information contained in it so long as you were not grossly negligent in obtaining or transmitting the information.

If you check "**None Known**" **for** an item, you are stating that you have no actual knowledge of any problem. If you check "**None Known**" when you know there is a problem, you may be liable for making an intentional misstatement.

[Note: If you check "Yes" or "**None Known**" and *something happens to make your Statement incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the purchaser a corrected Statement or correct the problem.]

If you check "No **Representations**", **you** have no duty to disclose the conditions of the property, whether or not you should have known of them.

If you are assisted in the transaction by a licensed real estate broker or salesman, the agent must disclose any material facts about your property which the agent knows or should reasonably know. The real estate agent has a duty to disclose material facts regardless of your responses on the Statement.

Furnishing the Statement

You must give the completed Statement to the purchaser no later than the time the purchaser makes an offer for your property. If you do not, the purchaser can, under certain conditions, cancel any resulting contract (See "**Note to Purchasers**" below). You should give the purchaser a copy of the Statement containing your signature and keep a copy signed by the purchaser for your records.

Note to Purchasers

If the owner does not give you a Residential Property Disclosure Statement by the time you make your offer to purchase the property, you may under certain conditions cancel any resulting contract. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following the date of the contract or three calendar days following your receipt of the Statement, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after the transaction has been closed or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

If you properly cancel the contract, you are entitled to a refund of any deposit monies you may have paid, and you cannot be otherwise penalized.